

RECEIVED

JUL 20 2006

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:)
)
SALT RIVER ELECTRIC)
COOPERATIVE CORPORATION)
)
APPLICATION FOR REDUCTION)
OF RATES)

Case No. 2006-00359

MOTION

Comes Salt River Electric Cooperative Corporation ("Salt River") by counsel, and moves the Commission to allow Salt River to reduce its rates as outlined herein. Further Salt River requests that it be allowed to deviate from the other filing requirements of 807 KAR 5:001, Section 10 due to the type of decrease requested.

Salt River is in the process of revising its data processing systems. After careful review Salt River believes that it would be in the best interest of its members to change its billing procedure to using a five digit KWH charge rather than the current six digit KWH charge. By deleting the sixth digit, Salt River would lower its rates.

Salt River applied the new rate to the sample month of March. This sample month under the new rates showed a reduction of \$118.54 for all customer classes in March of 2006. See Exhibit 1.

This billing change is proposed because after careful examination Salt River concluded the data processing companies that provided the most competitive pricing and service required Salt River to use five digit billing. The company selected by Salt River after extensive research was Southeastern Data Cooperative. Attached as Exhibit 2 is a letter from Southeastern Data concerning the increase in cost if it is required to reprogram for a six digit number.

7

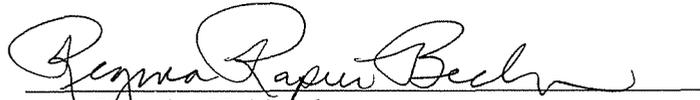
Salt River would like to make this billing change effective September 15, 2006. Attached as Exhibit 3 is the notice proposed to provide to Salt River customers. Salt River plans to run said notice in the Courier Journal for three consecutive weeks.

The appropriate tariff information is attached as Exhibit 4. The rates for each class with an analysis of revenue impact on rate reduction on each customer class and the effect on the average bill for each customer class is detailed in Exhibit 1.

Salt River respectfully requests that it be allowed to change its billing rate from a six digit KWH charge to a five digit KWH charge.

Respectfully Submitted,

FULTON, HUBBARD & HUBBARD



John Douglas Hubbard
Regina Rapier Beckman
117 East Stephen Foster Avenue
Bardstown, KY 40004
(502)348-6457
Attorneys for Salt River Electric

CERTIFICATE OF SERVICE

This is to certify that an original and ten copies of the foregoing Motion were served by U.S. Mail to Hon. Beth O'Donnell, Executive Director, Public Service Commission, 211 Sower Blvd., Frankfort, KY 40602-0615, on this the 19th day of July, 2006.



REGINA:SALT RIVER-PSC-RATE REDUCTION062606.MOTION

7/11/06

Month--March 2006 month end

EXHIBIT 1

Residential Rate	Kwh			Difference	Number of Customers	Effect on Average bill
		\$0.059151	\$0.059150			
1	47,638,889	\$2,817,887.92	\$2,817,840.28	-\$47.64	34745	-\$0.001371
2	4,140,595	\$244,920.33	\$244,916.19	-\$4.14	7014	-\$0.000590
5	655,835	\$0.035491	\$0.035490			
		\$23,276.24	\$23,275.58	-\$0.66	724	-\$0.000912

Commercial Rate

8	4,801,747	\$0.064891	\$0.064890			
		\$311,590.16	\$311,585.36	-\$4.80	2264	-\$0.002120

Industrial Rate

7	1,744,461	\$0.043551	\$0.043550			
		\$75,973.02	\$75,971.28	-\$1.74	22	-\$0.079091
9	5,256,407	\$0.046861	\$0.046860			
		\$246,320.49	\$246,315.23	-\$5.26	148	-\$0.035541
11	3,901,748	\$0.043481	\$0.043480			
		\$169,651.90	\$169,648.00	-\$3.90	11	-\$0.354545
13	173,977	\$0.031981	\$0.031980			
		\$5,563.96	\$5,563.78	-\$0.17	1	-\$0.170000
14	3,779,788	\$0.034337	\$0.034330			
		\$129,786.58	\$129,760.12	-\$26.46	4	-\$6.615000
25	3,175,436	\$0.029187	\$0.029180			
		\$92,681.45	\$92,659.22	-\$22.23	1	-\$22.230000
36	1,521,799	\$0.031981	\$0.031980			
		\$48,668.65	\$48,667.13	-\$1.52	1	-\$1.520000

Sec Light Rate

3	20,584	\$0.063191	\$0.063190			
		\$1,300.72	\$1,300.70	-\$0.02	28	-\$0.000714
6	711,726				196	

77,522,992

-\$118.54

45,159



May 22, 2006

Ms. Lila Foster
Manager of Information Technology
Salt River Electric
111 W. Brashear
Bardstown, KY 40004

Dear Ms. Foster:

In selecting Southeastern Data Cooperative to process your information it has come to our attention that you have a 6 digit rate charge. Our tables are presently set up for five. As you have already determined our services are more economical for your cooperative and better fits Salt River's needs. SEDC currently provides data processing services to 210 electric cooperatives of which 14 are in Kentucky. All of these cooperatives use a five digit KWH charge to the consumer.

We believe that this five digit charge should adequately meet your billing needs. To use six digits, SEDC would need to reprogram its rate calculations for all utilities at a very substantial cost and would cause a large delay in converting your information to the new system.

Please let me know if you wish for us to provide you with an estimate on this work, if you wish it to be completed. We do believe, however, that you will find the existing structure satisfactory for Salt River.

Very truly yours,

SOUTHEASTERN DATA COOPERATIVE, INC.

A handwritten signature in black ink, appearing to read "Ron Camp", is written over the printed name of Ronald G. Camp.

Ronald G. Camp
President/CEO

RGC:lt

NOTICE

Salt River Electric Cooperative Corporation, 111 W. Brashear, Bardstown, KY 40004, hereby provides notice to all of its customers of a change in billing procedures effective September 15, 2006. Salt River will use a five digit KWH charge instead of a six digit KWH charge. This change will result in a very small decrease in rates charged. The amount of change requested will result in an average decrease of \$0.002625 per member and at an average decrease of \$0.0000015 per KWH. By mailing the coupon below, you may request a copy of the present rate and proposed rate for each class and the effect upon the average bill for each class. These new rates are only a proposal to the Public Service Commission. The Public Service Commission may order rates to be charged that differ from the proposed rates by Salt River. Any corporation, association or person with a substantial interest may, by written request, within thirty (30) days after publication of this notice, request to intervene; intervention may be granted beyond the 30 day period for good cause shown. A person who has been granted intervention by the Commission may obtain copies of the rate application and any other filings made by the utility by contacting the utility at the address and phone number listed below. Any person may examine the rate application and other filings made by the utility in regards to this rate decrease at either Salt River or at the PSC, 211 Sower Blvd., PO Box 615, Frankfort, KY 40602-0615.

Please send information regarding the proposed billing change to the following name and address:

_____ (Member)
 _____ (Member's billing
 _____ address)

 _____ (Member's phone)

Mail to:

Salt River Electric
 111 W. Brashear
 Bardstown, KY 40004

Attn.: Jan Hedgepath

**FARM AND HOME SERVICE
SCHEDULE A-5**

<u>RATES</u>	<u>PRESENT</u>	<u>PROPOSED</u>	<u>REDUCTION</u>
Customer Charge	\$7.70 per mo.	\$7.70 per mo.	
Energy Charge	0.059151 per KWH	0.05915 per KWH	\$0.000001 per KWH

**FARM AND HOME SERVICE-TAXABLE
SCHEDULE A-5T**

<u>RATES</u>	<u>PRESENT</u>	<u>PROPOSED</u>	<u>REDUCTION</u>
Customer Charge	\$7.70 per mo.	\$7.70 per mo.	
Energy Charge	0.059151 per KWH	0.05915 per KWH	\$0.000001 per KWH

**TIME OF DAY
SCHEDULE A-5-TOD**

<u>RATES</u>	<u>PRESENT</u>	<u>PROPOSED</u>	<u>REDUCTION</u>
Customer Charge	\$10.10 per mo.	\$10.10 per mo.	
Energy Charge-On Peak	0.077990 per KWH	0.07799 per KWH	\$0.000000 per KWH
Energy Charge-Off Peak	0.038950 per KWH	0.03895 per KWH	\$0.000000 per KWH
Summer Season	0.059151 per KWH	0.05915 per KWH	\$0.000001 per KWH

**TIME OF DAY
SCHEDULE A-5T-TOD**

<u>RATES</u>	<u>PRESENT</u>	<u>PROPOSED</u>	<u>REDUCTION</u>
Customer Charge	\$10.10 per mo.	\$10.10 per mo.	
Energy Charge-On Peak	0.077990 per KWH	0.07799 per KWH	\$0.000000 per KWH
Energy Charge-Off Peak	0.038950 per KWH	0.03895 per KWH	\$0.000000 per KWH
Summer Season	0.059151 per KWH	0.05915 per KWH	\$0.000001 per KWH

**RESIDENTIAL MARKETING RATE
SCHEDULE R-1**

<u>RATES</u>	<u>PRESENT</u>	<u>PROPOSED</u>	<u>REDUCTION</u>
All KWH	0.035491 per KWH	0.03549 per KWH	\$0.000001 per KWH

**COMMERCIAL AND SMALL POWER SERVICE
SCHEDULE B-2**

<u>RATES</u>	<u>PRESENT</u>	<u>PROPOSED</u>	<u>REDUCTION</u>
Customer Charge	\$10.36 per mo.	\$10.36 per mo.	
Energy Charge	0.064891 per KWH	0.06489 per KWH	\$0.000001 per KWH

**LARGE POWER SERVICE
SCHEDULE LLP-1**

<u>RATES</u>	<u>PRESENT</u>	<u>PROPOSED</u>	<u>REDUCTION</u>
KW Demand	\$5.83 per KW	\$5.83 per KW	
Energy Charge	0.046861 per KWH	0.04686 per KWH	\$0.000001 per KWH

**LARGE POWER 500 KW UNDER 3000 KW
(Secondary Voltage)
SCHEDULE LLP-2**

<u>RATES</u>	<u>PRESENT</u>	<u>PROPOSED</u>	<u>REDUCTION</u>
Demand Charge	\$5.83 per KW	\$5.83 per KW	
Energy Charge	0.043551 per KWH	0.04355 per KWH	\$0.000001 per KWH

**OUTDOOR LIGHTING
SCHEDULE OL**

<u>RATES</u>	<u>PRESENT</u>	<u>PROPOSED</u>	
Mercury Vapor (MV) 175W - 75 KWH	8.06 per mo.	8.06 per mo.	\$0.000000 per mo.
Sodium Vapor (HPS) 100W - 48 KWH	8.01 per mo.	8.01 per mo.	\$0.000000 per mo.
Sodium Vapor (HPS) 250W - 104 KWH	10.10 per mo.	10.10 per mo.	\$0.000000 per mo.
Sodium Vapor (HPS) 400W - 165 KWH	13.11 per mo.	13.11 per mo.	\$0.000000 per mo.
Decorative Underground (HPS) 100W - 48 KWH	8.96 per mo.	8.96 per mo.	\$0.000000 per mo.
Underground MV w/o pole 175W - 75 KWH	14.53 per mo.	14.53 per mo.	\$0.000000 per mo.
Underground MV w/pole 175W - 75 KWH	18.23 per mo.	18.23 per mo.	\$0.000000 per mo.
Overhead Durastar (MV) 175W - 75 KWH	8.68 per mo.	8.68 per mo.	\$0.000000 per mo.

**COMMERCIAL LIGHTING SERVICE
SCHEDULE CL**

<u>RATES</u>	<u>PRESENT</u>	<u>PROPOSED</u>	
Sodium Vapor (HPS) 400W - 165 KWH	25.80 per mo.	25.80 per mo.	\$0.000000 per mo.

**STREET LIGHTING SERVICE
SCHEDULE OL-1**

<u>RATES</u>	<u>PRESENT</u>	<u>PROPOSED</u>	
Customer Charge	\$10.30 per mo.	\$10.30 per mo.	
Energy Charge	0.063191 per KWH	0.06319 per KWH	\$0.000001 per KWH

**LARGE POWER 500 KW - 999 KW
SCHEDULE LLP-3-B1**

<u>RATES</u>	<u>PRESENT</u>	<u>PROPOSED</u>	
Consumer Charge	\$838.75	\$838.75	
Demand Charge(Contract Demand)	\$5.39 per KW	\$5.39 per KW	
Demand Charge(Excess of Contract Demand)	\$7.82 per KW	\$7.82 per KW	
Energy Charge	0.037257 per KWH	0.03725 per KWH	\$0.000007 per KWH

**LARGE POWER 500 KW - 999 KW
SCHEDULE LLP-3-C1**

<u>RATES</u>	<u>PRESENT</u>	<u>PROPOSED</u>	
Consumer Charge	\$838.75	\$838.75	
Demand Charge(Contract Demand)	\$5.39 per KW	\$5.39 per KW	
Energy Charge	0.037257 per KWH	0.03725 per KWH	\$0.000007 per KWH

**LARGE POWER 500 KW - 3000 KW
(Primary Voltage)
SCHEDULE LLP-3**

<u>RATES</u>	<u>PRESENT</u>	<u>PROPOSED</u>	
Demand Charge	\$5.82 per KW	\$5.82 per KW	
Energy Charge	0.043481 per KWH	0.04348 per KWH	\$0.000001 per KWH

**LARGE POWER 1000 KW - 2999 KW
SCHEDULE LLP-4-B1**

<u>RATES</u>	<u>PRESENT</u>	<u>PROPOSED</u>	
Consumer Charge	\$1,552.50	\$1,552.50	
Demand Charge(Contract Demand)	\$5.39 per KW	\$5.39 per KW	
Demand Charge(Excess of Contract Demand)	\$7.82 per KW	\$7.82 per KW	
Energy Charge	0.034337 per KWH	0.03433 per KWH	\$0.000007 per KWH

LARGE POWER 1000 KW - 2999 KW
SCHEDULE LLP-4-C1

<u>RATES</u>	<u>PRESENT</u>	<u>PROPOSED</u>	
Consumer Charge	\$1,552.50	\$1,552.50	
Demand Charge(Contract Demand)	\$5.39 per KW	\$5.39 per KW	
Energy Charge	0.034337 per KWH	0.03433 per KWH	\$0.000007 per KWH

LARGE POWER 3000 KW AND OVER
SCHEDULE LPR-1

<u>RATES</u>	<u>PRESENT</u>	<u>PROPOSED</u>	
Demand Charge	\$8.23 per KW	\$8.23 per KW	
Energy Charge	0.031981 per KWH	0.03198 per KWH	\$0.000001 per KWH

SCHEDULE LPR-2

<u>RATES</u>	<u>PRESENT</u>	<u>PROPOSED</u>	
Demand Charge	\$8.23 per KW	\$8.23 per KW	
Energy Charge	0.031981 per KWH	0.03198 per KWH	\$0.000001 per KWH

SCHEDULE LPR-3

<u>RATES</u>	<u>PRESENT</u>	<u>PROPOSED</u>	
Consumer Charge(500 KW - 999 KW)	\$838.75	\$838.75	
Consumer Charge(1000 KW - 2999 KW)	\$1,552.50	\$1,552.50	
Consumer Charge(3000 KW - 9999 KW)	\$2,980.00	\$2,980.00	
Consumer Charge(10000 KW and over)	\$4,730.00	\$4,730.00	
Demand Charge	\$8.23 per KW	\$8.23 per KW	
Energy Charge	0.031981 per KWH	0.03198 per KWH	\$0.000001 per KWH

LARGE POWER 3000 KW - 4,999 KW
SCHEDULE LPR-1-B1

<u>RATES</u>	<u>PRESENT</u>	<u>PROPOSED</u>	
Consumer Charge	\$2,980.00	\$2,980.00	
Demand Charge(Contract Demand)	\$5.39 per KW	\$5.39 per KW	
Demand Charge(Excess of Contract Demand)	\$7.82 per KW	\$7.82 per KW	
Energy Charge	0.029371 per KWH	0.02937 per KWH	\$0.000001 per KWH

LARGE POWER 3000 KW - 4,999 KW
SCHEDULE LPR-1-C1

<u>RATES</u>	<u>PRESENT</u>	<u>PROPOSED</u>	
Consumer Charge	\$2,980.00	\$2,980.00	
Demand Charge(Contract Demand)	\$5.39 per KW	\$5.39 per KW	
Energy Charge	0.029371 per KWH	0.02937 per KWH	\$0.000001 per KWH

LARGE POWER 5000 KW - 9,999 KW
SCHEDULE LPR-1-B2

<u>RATES</u>	<u>PRESENT</u>	<u>PROPOSED</u>	
Consumer Charge	\$2,980.00	\$2,980.00	
Demand Charge(Contract Demand)	\$5.39 per KW	\$5.39 per KW	
Demand Charge(Excess of Contract Demand)	\$7.82 per KW	\$7.82 per KW	
Energy Charge	0.029187 per KWH	0.02918 per KWH	\$0.000007 per KWH

LARGE POWER 5000 KW - 9,999 KW
SCHEDULE LPR-1-C2

RATES	PRESENT	PROPOSED	
Consumer Charge	\$2,980.00	\$2,980.00	
Demand Charge(Contract Demand)	\$5.39 per KW	\$5.39 per KW	
Energy Charge	0.029187 per KWH	0.02918 per KWH	\$0.000007 per KWH

LARGE POWER 10,000 KW AND OVER
SCHEDULE LPR-1-B3

RATES	PRESENT	PROPOSED	
Consumer Charge	\$4,730.00	\$4,730.00	
Demand Charge(Contract Demand)	\$5.39 per KW	\$5.39 per KW	
Demand Charge(Excess of Contract Demand)	\$7.82 per KW	\$7.82 per KW	
Energy Charge	0.028887 per KWH	0.02888 per KWH	\$0.000007 per KWH

LARGE POWER 10,000 KW AND OVER
SCHEDULE LPR-1-C3

RATES	PRESENT	PROPOSED	
Consumer Charge	\$4,730.00	\$4,730.00	
Demand Charge(Contract Demand)	\$5.39 per KW	\$5.39 per KW	
Energy Charge	0.028887 per KWH	0.02888 per KWH	\$0.000007 per KWH